

FRANCHISE DISCLOSURE DOCUMENT

MAY 1 2018

Department of Business Oversight
Los Angeles Office



Hot Head Franchising, LLC
An Ohio limited liability company
2795 Culver Ave
Kettering, Ohio 45429
(937) 545-4408
www.hotheadburritos.com
Office@HotHeadBurritos.com

Hot Head Franchising, LLC offers individual unit franchises for the operation of a Hot Head Burritos® restaurant ("Restaurant"), selling a variety of Mexican food including burritos, tacos, nachos, quesadillas, salsas and related food and beverages for the individual consumer.

The total investment necessary to begin operation of a Restaurant is from \$212,150 to \$677,950. This includes \$16,500 to \$36,500 that must be paid to us.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Ray Wiley at 2795 Culver Ave, Kettering, Ohio 45429, (937) 545-4408.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 30, 2018

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit C** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY NON-BINDING MEDIATION ONLY IN THE STATE WHERE OUR CORPORATE HEADQUARTERS ARE LOCATED; CURRENTLY OHIO, THEN TO BINDING ARBITRATION ONLY IN THE STATE WHERE OUR CORPORATE HEADQUARTERS ARE LOCATED, CURRENTLY OHIO. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR ARBITRATE WITH US IN OHIO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more area developers, FRANCHISE BROKERS or referral sources to assist us in selling our franchise. An area developer, franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of this franchise.

Effective Date: See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
Illinois	May 1, 2018
Indiana	May 1, 2018
Washington	Pending

In the states listed below, the effective date (and issuance date) of this disclosure document is April 30, 2018.

Alabama	Kansas	New Mexico
Alaska	Kentucky	North Carolina
Arizona	Louisiana	Ohio
Arkansas	Maine	Oklahoma
Colorado	Massachusetts	Oregon
Connecticut	Michigan	Pennsylvania
Delaware	Mississippi	South Carolina
District of Columbia	Missouri	Tennessee
Florida	Montana	Texas
Georgia	Nevada	Vermont
Idaho	New Hampshire	West Virginia
Iowa	New Jersey	Wyoming

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